

**COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2006-AH-214
ADMINISTRATIVE ACTION NO. 07-PPC-0123**

OFFICE OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

FINAL ORDER OF DISMISSAL

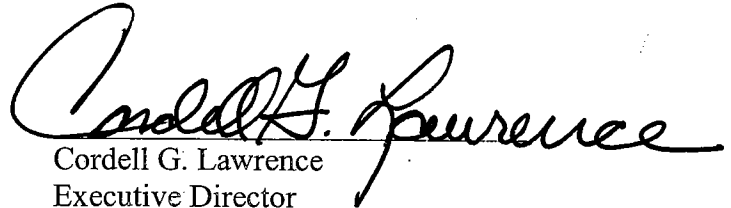
SOUTHERN KENTUCKY MORTGAGE CO., INC.

RESPONDENT

The matter having been settled pursuant to an Amended Settlement Agreement entered on August 27, 2007, and incorporated herein by reference, it is hereby

ORDERED that this action is DISMISSED.

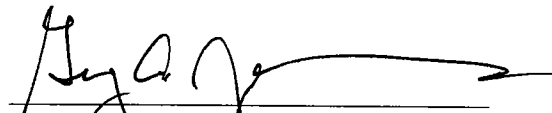
SO ORDERED this 27 day of August, 2007.



Cordell G. Lawrence
Executive Director
Department of Financial Institutions
1025 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **FINAL ORDER OF DISMISSAL** was served on this 28th day of August, 2007 by messenger mail to the Hon. Stephen B. Humphress, Hearing Officer, Division of Administrative Hearings, Office of the Attorney General, 1024 Capital Center Drive, Frankfort, Kentucky 40601 and by first-class mail, postage prepaid, to Cedric L. Gumm, Registered Agent & President, Southern Kentucky Mortgage Co., Inc., 1823 McIntosh St, Suite 113, Bowling Green, KY 42104.



Greg A. Jennings
General Counsel

COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS

AGENCY CASE NO. 2007-AH-214
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OFFICE OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

AMENDED SETTLEMENT AGREEMENT

SOUTHERN KENTUCKY MORTGAGE CO., INC.

RESPONDENT

** ** *

FINDINGS OF FACT

1. Southern Kentucky Mortgage Co., Inc. ("Southern") is licensed by the Office of Financial Institutions ("OFI") to conduct business as a mortgage broker. Southern's principal office is at 1823 McIntosh Street, Suite 113, Bowling Green, Kentucky 42104.
2. On December 7, 2005, an examination was conducted into the condition, workings and affairs of Southern in order to determine whether there were any violations of law, any unauthorized, unsafe practices, or any failure to keep any required books and records.
3. In the course of the examination it was discovered that Southern had five (5) unregistered individuals originating mortgage loans.
4. KRS 294.255(1) states that no person may originate mortgage loans in Kentucky unless they are registered with the OFI.
5. A administrative complaint and notice of administrative hearing was filed by the OFI on March 28, 2007 with the Office of the Attorney General against Southern.
6. An initial settlement agreement was entered into between the OFI and Cedric L. Gumm, President of Southern, in April 12, 2007, wherein Gumm agreed to pay a fine in

the amount of five thousand (\$5,000) dollars, to be paid in monthly installments of two hundred fifty dollars (\$250) per month, beginning February 15, 2007, until the fine was satisfied. The April 12, 2007 Settlement Agreement is incorporated by reference in whole into this Amended Settlement Agreement.

7. On April 18, 2007, a check made payable to the OFI in the amount of \$250.00 on the account of Southern was returned due to "Account Closed".

8. A prehearing conference was held on May 2, 2007, wherein Mr. Gumm agreed to pay one thousand dollars (\$1,000.00) per month, beginning June 1, 2007, until the fine was satisfied.

AMENDED SETTLEMENT AGREEMENT

1. The OFI and Southern agree to amend its April 12, 2007, to include the following provisions:

i. Southern agrees to pay OFI a fine in the amount five thousand dollars (\$5,000), paid in consecutive monthly installments of one thousand dollars (\$1,000.00) per month, having already begun on June 1, 2007, for five months, until the fine satisfied. The payment on the fine should be made payable to the "Kentucky State Treasurer" and mailed to the Office of Financial Institutions, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

ii. To date, the OFI acknowledges receiving a check for \$1,000.00 on June 1, 2007, and a check on July 1, 2007 for \$1,000.00, for a total payment to date of \$2,000.00, with a balance due of \$3,000.00 which will be paid by Southern on August 1, September 1, and October 1, 2007.